

Retiree Report

January, 2005

A Quarterly Publication from the
Fairfax County Retirement Agency

Tax Preparation Aid from AARP and other Organizations

From February 1 through April 15th each year, the AARP (American Association of Retired Persons) Tax-Aide program offers free one-on-one counselling, as well as assistance on the telephone and internet to help individuals prepare basic tax forms, including the 1040, 1040A, 1040EZ and other standard schedules. Volunteers from the AARP Tax-Aide program will help low- and middle-income taxpayers and people age 60 and older.

Many of your local libraries offer tax preparation assistance in conjunction with other organizations. If you live in or near Fairfax County, the following location information may be helpful to you:

The Sherwood Regional Library, 2501 Sherwood Hall Lane, in Alexandria has been designated an AARP Tax-Aid "super site" and

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Retirees with Delta Dental -

Please Take Note!
Delta Dental Participants
to Receive New I.D. Cards Soon

County retirees enrolled in the new Delta Dental plan will soon receive new identification cards. The new cards correct an error in the plan information that is displayed on the card. Previously the cards indicated "Preferred" as the plan network. The new I.D. cards show "DeltaPreferred/DeltaPremier". This information will assist your dentist with claims filing.

Once you receive the new I.D. cards, you should destroy the old cards. Remember, higher benefit levels are paid when you visit a DeltaPreferred network dentist.

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Medicare Notes!

Medicare Part B Premium Increase *effective January 2005*

The premium for Medicare Part B increased to \$78.20 per month, effective January 2005. For most of you, this premium is automatically deducted from your monthly Social Security check. This increase of \$11.60 (or 17%) is the single largest increase in Medicare's history, so you probably noticed a change in your Social Security check. However, there is good news too! Social Security granted a 2.7% benefit increase for 2005, which will help offset the Medicare premium increase.

It is important to note that no one's Social Security benefit will decrease as a result of the 2005 Medicare Part B premium increase. By law, the Part B premium increase cannot be larger than the beneficiary's COLA increase. Information about Medicare changes for 2005 can be found at www.medicare.gov or www.hhs.gov.

The Medicare Part A deductible amount for 2005 is \$912 for each benefit period. Part A Medicare pays for inpatient hospital, skilled nursing facility and some home health care.

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Board Meeting Schedule for 2005

January

12	Police Officers Retirement Board	1:30 PM
18	Employees' Retirement Board	3:30 PM
26	Uniformed Retirement Board	8:30 AM

February

09	Police Officers Retirement Board	1:30 PM
17	Employees' Retirement Board	3:30 PM
23	Uniformed Retirement Board	8:30 AM

March

02	<i>Employees' Investment Committee</i>	3:30 PM
09	Police Officers Retirement Board	1:30 PM
17	Employees' Retirement Board	3:30 PM
23	Uniformed Retirement Board	8:30 AM

April

13	Police Officers Retirement Board	1:30 PM
21	Employees' Retirement Board	3:30 PM
27	Uniformed Retirement Board	8:30 AM

May

11	Police Officers Retirement Board	1:30 PM
19	Employees' Retirement Board	3:30 PM
25	Uniformed Retirement Board	8:30 AM

June

01	<i>Employees' Investment Committee</i>	3:30 PM
08	Police Officers Retirement Board	1:30 PM
16	Employees' Retirement Board	3:30 PM
22	Uniformed Retirement Board	8:30 AM

July

13	Police Officers Retirement Board	1:30 PM
21	Employees' Retirement Board	3:30 PM
27	Uniformed Retirement Board	8:30 AM

August

24	Uniformed Retirement Board	8:30 AM
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September

07	<i>Employees' Investment Committee</i>	3:30 PM
14	Police Officers Retirement Board	1:30 PM
22	Employees' Retirement Board	3:30 PM
28	Uniformed Retirement Board	8:30 AM

October

12	Police Officers Retirement Board	1:30 PM
20	Employees' Retirement Board	3:30 PM
26	Uniformed Retirement Board	8:30 AM

November

09	Police Officers Retirement Board	1:30 PM
17	Employees' Retirement Board	3:30 PM
16	Uniformed Retirement Board	8:30 AM

December

07	<i>Employees' Investment Committee</i>	3:30 PM
14	Police Officers Retirement Board	1:30 PM
15	Employees' Retirement Board	3:30 PM

Police

Retirement System

Members take Note:

Police Board Trustee Position Filled

Lt. Erin Flaherty Schaible will fill a second term as Trustee of the Fairfax County Police Officers Retirement System. She had served on the Board of Trustees as President for the past four years.

No election was necessary as Lt. Schaible was the only nominee for the vacant seat on the Board.

Lt. Schaible's new term of office began January 1, 2005 and will run through December 31, 2008. She is serving as the Board President again this term.

Of Interest to Newly Retired **Police & Fire Retirees**

The Public Safety Occupational Health Center (PSOHC) has a contractual agreement with the Fairfax County Police and Fire Departments that allow uniform retirees the benefit of receiving annual medical examinations within five years of their separation date. The retiree physical is the same as incumbent exams with one exception: no medical certification is provided.

Since this is a new opportunity for retirees, Dr. Stewart, Medical Director of the PSOHC, has extended the time frame to allow exams for retired uniformed officers who have retired in the last 6 years.

Retired officers who are interested in taking advantage of this benefit should contact the Drug and Medical Coordinator, Ms. Melinda Ewing, at 703-246-7568. Ms. Ewing can also answer any questions concerning this new benefit.

Seniors Best Get Moving



*New Statistics from
"The State of Aging & Health in America"*

A recent report on the physical activity level of seniors reported that one-third of all Americans age 65 or older do not engage in leisure-time activities. If they don't get moving soon, they are going to encounter major problems during the aging process. Visit the following website and see, state by state, how the general population is doing when it comes to health and aging. www.miahonline.org/press/content/11.22.04_SOA_Report.pdf "The State of Aging and Health in America 2004" is an annual study, by the Merck Institute of Aging and Health (MIAH), that presents a snapshot of health and aging in the United States.

One statistic from this report revealed that only 35 percent of senior men and only 25 percent of women age 65 and older get the recommended 30 minutes of moderate physical activity each day.

By 2030, one out of five Americans, or 71 million people, will be 65 years and older. "The average 75-year-old has three chronic conditions and uses five prescription drugs."

This report shows that if we, as a nation, are to help older adults not simply survive, but thrive, we must increase research, intensify education and improve practice in geriatrics. Life expectancy increased dramatically during the past century.

Learn some of the things you can do to help yourself to live a longer, healthier life in retirement.

For those retirees without internet access, a copy of this report can be acquired by calling MIAH at 202-842-0525.

Retirees without Dental Coverage *may want to consider*

Dominion Dental is offering a direct pay DHMO plan that is similar to the DHMO previously offered through the County. If you would like more information about this plan, contact Dominion Member Services directly at 1-888-518-5338. Dominion will accept monthly payments through either credit cards or bank debits. You CANNOT pay for this coverage through Fairfax County deductions. Additionally, **the County no longer has any relationship with the plan** and cannot intervene for you in the event of dissatisfaction or a dispute.

The cost of the monthly premiums for a direct pay through Dominion Dental for 2005 are as follows:

Individual - \$16.28
Two-party - \$30.03
Family - \$44.77

Remember, this is a HMO dental plan so only dentists in the Fairfax County area, northern and central Virginia, Pennsylvania, and Delaware are participants - they have little coverage in rural areas. You will also want to make sure the dentist of your choice is accepting new patients before you make a commitment to enroll in their direct pay plan.

Visit www.dominiondental.com or call 1-888-518-5338 to search for a provider near you. Enrollments by March 16th would have coverage effective April 1st.

Dear Fairfax County Government Retiree,

You are invited to attend the next Millennium Forum presentation scheduled for:

March 9, 2005

10:30 a.m. – Noon, Fairfax County
Government Center Board Auditorium
George Mitchell, Chairman of the Board
of Directors of the Walt Disney Company

Topic: *Public Service:*

Political Realities & Constituent Demands

Cordially, Edwin S. Clay, III, Library Director

Retirement Funds Profile

(For the fiscal year ended June 30, 2004;

Employees' Retirement System

Active Membership (6/30/04) 14,330

Income and Expenditures for FY 2004	
Contributions	
Plan members	\$26,594,161
Employer	34,418,051
Other	<u>1,122,434</u>
Total	\$ 62,134,646

Investment income	
From investment activities	329,523,312
From securities lending activities	<u>1,755,436</u>
Total	331,278,748

Less: investment- related expense	
Investment management fees	9,284,587
Securities lending	<u>1,432,964</u>
Banking service and other	819,710
Net investment income	<u>319,741,487</u>

Total additions	\$ 381,876,133
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Deductions	
Regular service benefits	81,795,303
Disability benefits	5,905,127
Survivor benefits	<u>1,974,674</u>
Refunds and other expenses	4,799,444
Total deductions	94,474,548

Net increase for the year	\$ 287,401,585
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Net assets held in trust for pension benefits	
As of July 1, 2003	\$ 1,780,113,740

As of June 30, 2004	\$ 2,067,515,325
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Assets at Market Value (as of June 30, 2004)	
Equities	\$ 919,829,490
Fixed Income	418,712,571
Mutual Funds and Pooled Trusts	602,829,829
Short-term investments/Accruals/Cash	133,514,992
Equity in County's Pooled Cash	2,753,768
Receivable from sale of investments	<u>37,422,207</u>
Cash Collateral received for securities lending	126,574,500
Total assets	\$ 2,241,637,357

Payable for collateral received for securities lending	\$ 126,574,500
Payable for purchase of investments	44,452,470
Accounts payable and accrued expenses	<u>3,095,062</u>
Total liabilities	174,122,032

Net assets	\$ 2,067,515,325
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Investment managers	
Barclays Global Investors, San Francisco, CA	
Brandywine Asset Management, Wilmington, DE	
Bridgewater Associates, Westport, CT	
The Clifton Group, Minneapolis, MN	
Cohen & Steers Capital Management, New York, NY	
DSI International Management, Norwalk, CT	
J.P. Morgan Fleming Investment Management, New York, NY	
Julius Baer Investment Management, New York, NY	
LSV Asset Management, Chicago, IL	
Mackay Shields, New York, NY	
Peregrine Capital Management, Minneapolis, MN	
Post Advisory Group LLC, Los Angeles, CA	
Shenman Capital Management, New York, NY	
Standish Mellon Asset Management, Pittsburgh, PA	
Trust Company of the West, Los Angeles, CA	
Thomson Horstmann & Bryant, Inc. Saddle Brook, NJ	
Robert E. Torray & Co., Bethesda, MD	
Wanger Asset Management, Chicago, IL	

Uniformed Retirement System

Active Membership (6/30/04) 1,646

Income and Expenditures for FY 2004	
Contributions	
Plan members	\$ 7,649,425
Employer	24,823,288
Other	<u>150,859</u>
Total	\$ 32,623,572

Investment income	
From investment activities	97,922,792
From securities lending activities	<u>677,965</u>
Total	98,600,757

Less: investment- related expense	
Investment management fees	3,664,001
Securities lending	533,301
Banking service and other	<u>395,275</u>
Net investment income	<u>94,008,180</u>

Total additions	126,631,752
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Deductions	
Regular service benefits	21,252,301
Disability benefits	6,307,390
Survivor benefits	<u>394,740</u>
Refunds and other expenses	749,804
Total deductions	28,704,235

Net increase for the year	\$ 97,927,517
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Net assets held in trust for pension benefits	
As of July 1, 2003	\$ 657,361,178

As of June 30, 2004	\$ 755,288,695
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Assets at Market Value (as of June 30, 2004)	
Equities	\$ 162,575,744
Fixed Income	190,845,994
Mutual Funds and Pooled Trusts	357,704,247
Short-term investments/Accruals/Cash	70,470,730
Equity in County's Pooled Cash	4,590,676
Receivable from sale of investments	<u>29,026,108</u>
Cash Collateral received for securities lending	41,477,191
Total assets	\$ 856,690,690

Payable for collateral received for securities lending	\$ 41,477,191
Payable for purchase of investments	58,837,967
Accounts payable and accrued expenses	<u>1,086,837</u>
Total liabilities	101,401,995

Net assets	\$ 755,288,695
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Investment managers	
Barclays Global Investors, San Francisco, CA	
Cohen & Steers Capital Management, New York, NY	
HarbourVest Partners, Boston, MA	
J.L. Kaplan Associates, Boston, MA	
Lazard Asset Management, New York, NY	
Marathon Asset Management, London, England	
J.P. Morgan Fleming Investment Management, New York, NY	
Pantheon Ventures, Inc. San Francisco, CA	
Payden & Rygel Investment Counsel, Los Angeles, CA	
Peregrine Capital Management, Minneapolis, MN	
PIMCO, Newport Beach, CA	
Standish Mellon Asset Management, Pittsburgh, PA	
State Street Global Advisors, Boston, MA	
Trust Company of the West, Los Angeles, CA	
UBS Realty Advisors LLC, Hartford, CT	
Wasatch Advisors, Salt Lake City, UT	

Police Officers Retirement System

Active Membership (6/30/04) 1,298

Income and Expenditures for FY 2004	
Contributions	
Plan members	\$ 9,689,253
Employer	<u>14,682,201</u>

Total	\$ 24,371,454
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Investment income	
From investment activities	94,498,211
From securities lending activities	<u>729,316</u>
Total	95,227,527

Less: investment- related expense	
Investment management fees	3,131,592
Securities lending	545,771
Banking service and other	<u>373,165</u>
Net investment income	<u>(4,050,528)</u>

Total additions	91,176,999
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Deductions	
Regular service benefits	24,982,292
Disability benefits	1,270,442
Survivor benefits	<u>1,429,629</u>
Refunds and other expenses	609,246
Total deductions	28,291,609

Net increase for the year	\$ 87,256,844
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Net assets held in trust for pension benefits	
As of July 1, 2003	\$ 591,890,728

As of June 30, 2004	\$ 679,147,572
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Assets at Market Value (as of June 30, 2004)	
Equities	\$ 355,319,085
Fixed Income	198,091,436
Mutual Funds and Pooled Trusts	87,248,164
Short-term investments/Accruals/Cash	42,223,205
Equity in County's Pooled Cash	1,146,297
Receivable from sale of investments	<u>4,638,150</u>
Cash Collateral received for securities lending	67,354,471
Total assets	\$ 756,020,808

Payable for collateral received for securities lending	\$ 67,354,471
Payable for purchase of investments	8,589,096
Accounts payable and accrued expenses	<u>929,669</u>
Total liabilities	76,873,236

Net assets	\$ 679,147,572
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Investment managers	
Capital Guardian Trust Company, Los Angeles, CA	
Cohen & Steers Capital Management, New York, NY	
Dodge & Cox Investment Managers, San Francisco, CA	
JANUS Capital Corporation, Denver, CO	
Oak Associates LTD, Akron, OH	
Peregrine Capital Management, Minneapolis, MN	
PIMCO, Newport Beach, CA	
Standish Mellon Asset Management, Pittsburgh, PA	
Systematic Financial Management, Teaneck, NJ	
Robert E. Torray & Co., Bethesda, MD	
Trust Company of the West, Los Angeles, CA	
Veredus Asset Management, Louisville, KY	

Get to Know Your Trustees

While many retirees are familiar with their System's Board of Trustees, others may not know anything at all about the people who are charged with the proper operation of the System to which they and other employees and retirees belong. This quarter's column features **Robert C. Carlson**, Chairman of the Employees' Retirement System.

Trustee Tracking

Robert C. Carlson is embarking on his 10th year as Chairman of the Employees' Retirement System Board. In this position, Mr. Carlson oversees the management of over \$2 billion in system assets. He is also a member of the Board of Trustees of the Virginia Retirement System, which manages \$40 billion in assets.

Mr. Carlson, an attorney and Certified Public Accountant, focuses on the financial needs of retirees and those planning for retirement and is editor of a monthly financial newsletter for retirees. He is also the managing member of Carlson Wealth Advisors, LLC.

Mr. Carlson has written numerous books and reports, including his most recent release titled *The New Rules of Retirement: Strategies for a Secure Future*. The book reviews trends that are changing retirement and retirement planning, and gives readers advice on a range of retirement financial topics including investing, estate

planning, IRA management, health care, and long-term care. Additional titles by Mr. Carlson include *Tax Wise Money Strategies*, *Retirement Tax Guide*, *How To Slash Your Mutual Fund Taxes*, *Bob Carlson's Estate Planning Files*, and *199 Loopholes That Survived Tax Reform*. He has been interviewed by or quoted in numerous publications, including *The Wall Street Journal*, *Reader's Digest*, *Barron's*, *Money*, *Worth*, *Kiplinger's Personal Finance*, the *Washington Post*, and many others. He has appeared on national television and on a number of radio programs.

Mr. Carlson received his J.D. and M.S. (Accounting) from the University of Virginia and received his B.S. (Financial Management) from Clemson University. He is also an instrument-rated private pilot.

With the exception of the years he spent in college and law school, Bob has lived in the Fairfax area since he attended first grade. He went to Fairfax County Public Schools, graduating from J.E.B. Stuart High School. He and his wife have one daughter who is enjoying her third year at the School of the Art Institute of Chicago.

Tax Preparation Aid

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will offer tax preparation help Monday - Saturdays at various times. For details, call 703-765-3645. AARP will also have tax counselors available at the Centreville Regional Library on Tuesdays and Saturdays from 10 a.m. - 2 p.m. 703-830-2223.

Visit <http://www.fairfaxcounty.gov/library> for a list of library branches in Fairfax County which offer tax assistance. If you live outside Fairfax County, contact your local library to see if they offer any tax preparation assistance in your community.

For Tax Aid from AARP, you can search by zip code at the AARP internet site to find a Tax-Aide site near you. Visit www.aarp.org.

Retirees with Delta Dental

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To find out if your dentist participates with Delta Dental:

- ♦ Call Delta Dental's Benefit Services department at 1-800-237-6060
- ♦ Ask your dentist if he/she is a participating dentist. Be sure to ask if he/she participates in both Delta Preferred and DeltaPremier networks, or DeltaPremier only.
- ♦ Visit Delta Dental's website: www.deltadentalva.com
 - Click on "Searching for a Dentist?"
 - Select "DeltaPreferred" as your dental plan selection, then search by city, zip code, dentist name, etc.
 - If you do not see your dentist, search again and this time select "DeltaPremier" as your dental plan.

The Delta Dental plan is only available to retirees who were covered under one of the County's prior dental plans (Dominion, CIGNA or DBP) and who elected this coverage last open enrollment.

Fairfax County
Retirement Administration Agency
10680 Main Street, Suite 280
Fairfax, Virginia 22030

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January, 2005

Retiree Report

A Quarterly Publication from the
Fairfax County Retirement Agency


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e-mail: retire@fairfaxcounty.gov ♦ internet: www.fairfaxcounty.gov/retbrd/

Retirement Associations

Keep your Retirement Association informed of address and phone number changes!

The Retirement Associations frequently request updated contact information for Fairfax County retirees. Due to privacy considerations, we are **unable** to provide them with that sort of requested information for their mailings. If you are already a member, or interested in becoming a member, please keep them informed of address and phone number updates. For information on membership or to change your address, contact:

**Fairfax County Fire & Rescue
Retirement Association**
Tom Simcoe cell: 703-408-8206
mous260@msn.com
 Annual Dues is \$24.00

**Fairfax County Retired
Police Association**
James Covell, 703-426-2781
COVELL648@erols.com
 Annual Dues: \$15.00

**Fairfax County
Retired Employees Association**
Dorris Medlin 703-256-6379
Annual Dues is \$5.00
Lifetime Membership is \$50.00